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KUALA LUMPUR: Ekuiti Nasional Bhd (Ekuinas) has posted RM476.7mil gross returns from its first fund.

The government-linked private equity (PE) fund officially closed its maiden fund yesterday, which has total investments worth RM1.03bil.

Ekuinas chief executive officer Syed Yasir Arafat Syed Abd Kadir (*pic*) said part of the gains of about RM120mil would be disbursed to a wider bumiputra community.

“We have yet to finalise the distribution of the gains, it would need government’s approval,” he said.

In 2015, Ekuinas disbursed RM200mil to the Bumiputra Investment Foundation for the benefit of bumiputra unit holders of trust funds managed by Permodalan Nasional Bhd.

In the eight years since its inception, Ekuinas has deployed its capital under three funds and it had recorded a total realisation proceeds of RM2.36bil.

“The PE space has changed a lot since Ekuinas’ inception in 2009. We are seeing mega funds coming into the Asian market, which was previously close to non-existence in this part of the world.

“The surge in activity by these global mega funds has led to competition in deals and pressure on asset valuations,” Syed Yasir told report-

RM477m returns from Ekuinas’ first fund

Part of gains to be given to bumiputra community



ers at Ekuinas’ 2017 results announcement and direct first fund closure here yesterday.

Despite the challenges, Ekuinas’ first fund recorded an annualised gross internal rate of return (IRR) of 10.1% and net IRR of 6.5%.

Syed Yasir said four of its investee companies worth about RM368mil have been shifted to fund three,

with the closure of the fund. The four companies are Cosmopoint Group, Unitar International University, Revenue Valley and a public listed company Icon Offshore Bhd.

Syed Yasir said the shift would give more time for the PE firm to work on the assets to increase its value. “It could involve capital injection if needed,” he said.

The PE firm’s investment horizon is typically between three and five years.

Cosmopoint and Icon Offshore were among Ekuinas early investments.

“We are exploring to restructure our education investments, and that would involve collaboration or merger exercise with other education players as we believe there is more value to be extracted,” Syed Yasir said.

Meanwhile, he said Ekuinas

would be restructuring Icon Offshore’s balance sheet and would also be looking at possibilities of disposing of its 44.69% stake in the company.

Last year, Icon entered into a corporate exercise involving a merger with UMW Oil & Gas Corp Bhd, UMW O&G and Orkim Sdn Bhd, which is one of Ekuinas investee companies.

However, the proposed merger was called off because of a heavier than expected capital injection than initially thought.

Moving forward, Syed Yasir said 2018 would be another challenging year for Ekuinas due to internal and external factors such as changes in the global economic and business landscape brought on by the surge in mega funds from the developed countries, Industrial Revolution 4.0 and disruptive technology.